

OCA FILE

HPSCI

OCA 89-1051  
17 Mar 89

## MEMORANDUM FOR THE RECORD

SUBJECT: HPSCI Briefing on Proposed Change in CIARDS and  
FERS Special Eligibility Requirements

1. On 17 March 1989, HPSCI staffers Mike O'Neil, Duane Andrews, and Steve Nelson were briefed by the Office of Personnel on a proposal contained in the draft FY90 Intelligence Authorization bill that would relax the eligibility requirements for CIARDS and FERS-Special. Representing the Office of Personnel were [ ] Deputy Director/ OP; [ ] C/Retirement Division/OP, and [ ] OP. [ ] represented the Comptroller's Office, and [ ] and the undersigned represented OCA.

2. The proposed change in the FY90 Intelligence Authorization bill would reduce the requirement for overseas service for CIARDS and FERS-Special eligibility from five to three years. [ ] explained that the primary reason for changing FERS-Special from five to three years was to bring Agency employees more in line with law enforcement and firefighters. These two groups are covered by a FERS-Special System and recently qualifying service for these two groups was reduced from ten years to three years. [ ] stated that if FERS-Special qualifying service was reduced to three years, then fairness would require that CIARDS eligibility should be reduced to three years as well. [ ] stated that lowering the eligibility requirement would also act as an incentive for other Agency employees to serve overseas.

2. O'Neil was not impressed by the argument that the eligibility requirements needed changing because the firefighters and law-enforcement officers had their eligibility requirements changed. Instead, he focused on the impact of the change on the Agency population. [ ] agreed that the primary affect would not be on the DO, but on the support groups in the DA (Office of Communication, Finance, etc.) and the analyst in the DI. O'Neil noted that these groups were not the ones Congress intended to help when CIARDS was set up in 1964.

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Andrews also stated that there was not a "burn out" problem in the DA or DI, and therefore there was not a need to re-orient CIARDS and FERS-Special to cover these groups. Andrews also noted that CIARDS was suppose to be for career, overseas employees. Since DI analyst do not spend the majority of their career overseas, it would be a major change to apply CIARDS to this group.

3. [ ] noted that there was a real problem in attracting non-DO employees to serve overseas. This was particularly the case where the spouse of an employee has a job. [ ] noted that there could be instances where the Agency would have to select someone who was less qualified to serve at an overseas post because the most qualified person would refuse to serve overseas. The proposed change would act as an incentive so that the Agency would get the most qualified people. O'Neil noted that since a tour normally runs two years, an analyst would have to have two tours or one extended tour, to qualify for CIARDS.

4. In response to a question as to the number of employees that would be affected by the change, [ ] stated that the status of about [ ] employees under FERS and [ ] employees under CIARDS would be changed if the proposal were enacted. About 1/2 of the affected employees would have qualified for CIARDS or FERS-Special even without the change. An additional [ ] employees per year under FERS-Special and CIARDS would qualify in the out years.

5. One final argument for the amendment is that it would reduce turn over at the Agency. [ ] noted that the higher accrual rate for those in CIARDS or FERS-Special would be lost retroactively if the individual were to leave the Agency before qualifying for retirement. This was a powerful incentive to stay with the Agency. The proposed change would mean that more employees would enter FERS-Special, which would mean less turnover. Andrews sharply disputed that individuals would retroactively lose the higher accrual rate if they left FERS-Special. He stated the in other FERS-Special categories, the employees retained their higher accrual rate and that the Agency had misinterpreted FERS.

6. Andrews and O'Neil stated that they needed certain factual issues resolved before they could make a final determination on whether to endorse the proposed change. Specifically, Andrews wanted to know the following:

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Do FERS Special participants at CIA retroactively lose 1.7% differential if they leave for another non-FERS Special system outside CIA?

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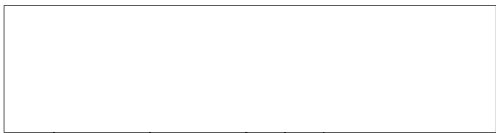
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Do FERS participants who have served overseas retroactively  
lose their differential when they leave CIA.

What is the number of months of overseas service of  
retirees in CIARDS? (The Agency should go back two years  
in obtaining this statistic.)


7. Overall, HPSCI staff appeared to be very skeptical  
about the proposed change. They did not think the Agency had a  
very strong case to make, and I suspect they will not recommend  
the amendment to their Members.

  
Legislation Division

OCA/LEG,  (27 March 1989)

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